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RUBIDOUX COMMUNITY SERVICES DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
JUNE 30, 2009**

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RUBIDOUX COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report.	1 - 2
Management's Discussion and Analysis.	3 - 8
 <u>FINANCIAL STATEMENTS</u>	
Exhibit A - Statement of Net Assets - District-Wide.	9 - 10
Exhibit B - Statement of Activities and Changes in Net Assets - District-Wide.	11
Exhibit C - Balance Sheet - Governmental Funds.	12
Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	13
Exhibit E - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.	14
Exhibit F - Supplemental Information - Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Governmental Funds and Reconciliation with Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds.	15
Exhibit G - Statement of Net Assets - Governmental Funds.	16
Exhibit H - Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.	17
Exhibit I - Statement of Net Assets - Proprietary Funds.	18 - 19
Exhibit J - Statement of Revenue, Expenses and Changes in Fund Net Assets - Proprietary Funds.	20
Exhibit K - Statement of Cash Flows - Proprietary Funds.	21 - 22
Notes to the Financial Statements (1 through 12).	23 - 37
 <u>SUPPLEMENTAL INFORMATION</u>	
Schedule 1 - Ten Year Financial Trends.	38
Schedule 2 - Graphic Financial Comparisons.	39 - 43
 <u>OTHER</u>	
Schedule of Expenditures of Federal Awards.	44



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To the Board of Directors
Rubidoux Community Services District
Rubidoux, California

We have audited the accompanying financial statements of the governmental activities, business-type activities and each fund of Rubidoux Community Services District as of June 30, 2009, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each fund of Rubidoux Community Services District at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2009, on our consideration of the Rubidoux Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgeting Comparison Information on pages three through seven and Schedules 1 and 2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Board of Directors
Rubidoux Community Services District
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rubidoux Community Services District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Rubidoux Community Services District. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Melton, Johnson & Pearson LLP

Ontario, California
September 8, 2009

RUBIDOUX COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

Our discussion and analysis of Rubidoux Community Services District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS:

- The District's net assets increased 19.4% to \$51.5 million (from \$43.2 million) as a result of this year's operations and non-operating activities, including capital contributions.

The District's net asset changes from current period activities is illustrated as follows:

	Governmental		Water		Sewer		Solid Waste Disposal		Total	
	\$ (Millions)	%	\$ (Millions)	%	\$ (Millions)	%	\$ (Millions)	%	\$ (Millions)	%
Operating activity/revenue	(3.0)	(6.9)	(0.3)	(0.7)	(0.4)	(0.9)	(0.1)	(0.2)	(3.8)	(8.7)
Non-operating activity:										
Capital contributions	-	-	-	-	8.8	20.4	-	-	8.8	20.4
Other	2.6	6.0	0.3	0.7	0.5	1.1	0.0	0.0	3.4	7.8
Total	<u>(0.4)</u>	<u>(0.9)</u>	<u>-</u>	<u>-</u>	<u>8.9</u>	<u>20.6</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>8.4</u>	<u>19.5</u>

- During the year, the District's total sources of revenues and capital contributions exceeded expenses by \$8.4 million.
- Total revenues and capital contributions from all sources amounted to \$21.5 million.
- The cost of all District activities amounted to \$13.1 million.
- Operationally, the Water Fund contributed (\$.3) million, Sewer Fund (\$.4) million and the Solid Waste Disposal Fund (\$.1) million to increased net assets. The total Governmental activities decreased (\$.4) million. Contributed capital to the District totaled \$8.8 million.

USING THIS ANNUAL REPORT:

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities and Changes in Net Assets provide information about the activities and performance of the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities and Changes in Net Assets. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

RUBIDOUX COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2009

Reporting the District as a Whole:

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets:

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the District as a whole and about its activities in a way that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues, capital contributions and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets - the difference between assets and liabilities - as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the District's property tax base and the types of grants the District applies for to assess the *overall financial health* of the District.

These two statements are presented in three different reporting categories, as follows:

- The first reporting measure is *district-wide* financial statements that provide both *long-term* and *short-term* information about the District's *overall* financial status - for both governmental and proprietary funds. The district-wide financial statements combine the structures of the two fund types used by the District - Governmental and Proprietary Funds.
- The next reporting measure reflects *governmental funds* statements that tell how *general government* administration and services were financed in the short-term as well as what remains for future spending.
- The third and final reporting measure is *proprietary fund* statements that offer *short* and *long-term* financial information about the activities the District operates like businesses, such as the water, sewer, and solid waste disposal operations.

The governmental fund activities encompass general administrative responsibilities as well as administrative recording of fire protection and weed abatement efforts. Resultant financial data for these services, reflected in these financial statements, represents the net benefits flowing to the District.

NOTES TO THE BASIC FINANCIAL STATEMENTS:

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23 through 37.

RUBIDOUX COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2009

THE DISTRICT AS A WHOLE:

Our analysis focuses on the assets (Table 1) and changes in net assets (Table 2) of the District's enterprise activities.

Table 1					
Net Assets (in Millions)					
	Proprietary Funds				Total
	Governmental Activities	Water	Sewer	Solid Waste Disposal	
Current and other assets	\$ 3.7	\$ 10.8	\$ 6.4	\$ 0.2	\$ 21.1
Capital assets	4.7	17.9	20.8	-	43.4
Total Assets	8.4	28.7	27.2	0.2	64.5
Long-term debt outstanding	-	7.4	1.7	-	9.1
Other liabilities	1.4	1.1	1.4	-	3.9
Total Liabilities	1.4	8.5	3.1	-	13.0
Net Assets:					
Invested in capital assets, net of debt	4.7	10.2	18.9	-	33.8
Restricted	1.0	5.8	3.3	-	10.1
Unrestricted	1.3	4.2	1.9	0.2	7.6
Total Net Assets	\$ 7.0	\$ 20.2	\$ 24.1	\$ 0.2	\$ 51.5

The District's net asset increase of 19.4% to \$51.5 million comes from the change in net assets as recorded in the Statement of Activities and Changes in Net Assets and flows through to the Statement of Net Assets.

- Overall district-wide capital assets increased \$8.4 million (primarily due to capitalized assets, less depreciation), as follows:

Asset Type	(In Millions)
Land	\$ -
Structures and improvements	-
Equipment	0.1
Construction in progress	9.7
Total Additions	9.8
Less depreciation	(1.4)
Capital Asset Increase	\$ 8.4

- Long-term debt decreased (\$.5) million due to principal payments or retirement on bonded debt and certificates of participation (\$325,402), and repayment of notes payable of (\$165,769).
- Restricted net assets decreased (\$.5) million as a result of payment of debt and increased \$1.4 million as a result of capital replacement, capacity fees, and contributed capital.
- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements, amounted to \$7.6 million.

RUBIDOUX COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2009

Table 2
Changes in Net Assets
Current Period Activity (in Millions)

	Governmental Activities	Proprietary Funds			Total
		Water	Sewer	Solid Waste Disposal	
Revenue:					
Operating revenue:					
Charges for services	\$ 1.0	\$ 4.1	\$ 1.9	\$ 2.4	\$ 9.4
Property taxes	2.4	-	0.2	-	2.6
Other revenue:					
Contributed capital	-	-	8.8	-	8.8
Investment revenue	0.1	0.2	0.1	-	0.4
Other	0.1	-	0.1	-	0.2
Total Revenue	<u>3.6</u>	<u>4.3</u>	<u>11.1</u>	<u>2.4</u>	<u>21.4</u>
Expenses:					
Operating	4.0	3.9	2.2	2.5	12.6
Interest	-	0.4	-	-	0.4
Other	-	-	-	-	-
Total Expenses	<u>4.0</u>	<u>4.3</u>	<u>2.2</u>	<u>2.5</u>	<u>13.0</u>
Increase (Decrease) in Net Assets	\$ <u>(0.4)</u>	\$ <u>-</u>	\$ <u>8.9</u>	\$ <u>(0.1)</u>	\$ <u>8.4</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S UNRESTRICTED CASH

At year-end the District reported combined unrestricted cash balances of \$7.9 million, which is a decrease of (\$2.6) million or (24%) from last year. Note 5 of the financial statements provide additional detail on cash balances.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Rubidoux Community Services District budget is prepared annually. Over the course of the year, the Board reviews and revises its budget to reflect changes in programs, funding, and expenditure estimates. During fiscal year 08/09 no revisions were made to the District's general budget.

An analysis of the District's budget versus actual is provided as a supplemental statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual in Exhibit F.

The reason for the unfavorable variance of \$46,042 in property tax revenue is due to the decline in California property tax assessments. The large unfavorable variance in other revenue is primarily due to the District's budgetary process. The District includes its net cash reserve of \$673,438 in other revenue, which is 93% of the variance.

The primary reason for the favorable variance of \$304,611 in expenditures is that the District conservatively watched its expenditures as the State struggled with large budget deficits. Salaries expenditures increased by \$156,705, but services and supplies, capital outlays, and contract services for the fire department expenditures decreased by \$461,316 as compared to budget.

RUBIDOUX COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2009

CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital Assets

At June 30, 2009, the District had \$43.4 million invested in a broad range of capital assets for infrastructure and facilities. (See Table 3 below.) This amount represents a net increase of \$8.4 million, or 2.4%, above last year.

Table 3
Capital Assets at Year-End
(Net of Depreciation, in Millions)

	Governmental Activities	Proprietary Funds		Total District- Wide
		Water	Sewer	
Land	\$ 0.3	\$ 0.5	\$ -	\$ 0.8
Structures and improvements	3.7	22.9	23.7	50.3
Equipment	1.4	1.2	0.3	2.9
Construction in progress	-	0.7	10.1	10.8
Accumulated depreciation	(0.8)	(7.4)	(13.2)	(21.4)
Total	\$ 4.6	\$ 17.9	\$ 20.9	\$ 43.4

Debt

At June 30, 2009, the District had \$9.6 million in bonds, certificates of participation, notes outstanding versus \$10.0 million last year - a decrease of 4.0% - as shown in Table 4.

Table 4
Outstanding Debt, at Year-End
(in Millions)

	Governmental Activities	Proprietary Funds		Total District- Wide
		Water	Sewer	
Bonds payable / certificates of participation	\$ -	\$ 7.7	\$ -	\$ 7.7
Notes payable	-	-	1.9	1.9
Total	\$ -	\$ 7.7	\$ 1.9	\$ 9.6

ECONOMIC FACTORS AND NEXT YEAR'S COMMENTS:

The economy of the Rubidoux Community Services District (District) continues to be influenced by drought conditions, resulting in high demand for water. The economy also precipitated an increase in water rates for the first time in 15 years, and the loss of property tax revenue may have a future effect.

The downturn in the economy has slowed proposed development, delaying the District's ability to add additional service connections. Emerald Meadows Ranch Properties, a community of 1,000+ homes, commercial stores, parks, schools, etc. on approximately 260 acres on the southwest corner of Highway 60 and Rubidoux Blvd., has stalled until the economy improves. A Mello-Roos agreement with Jurupa Unified School District as lead agency would have facilitated payment of the fees to the District upon initiation of the project.

RUBIDOUX COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2009

The Rio Vista Project is another proposed project in suspension. It included construction of approximately 1,700+ homes north of Highway 60. Annexing the land through the LAFCO process would have enabled the District to provide water services to the entire project and sewer conveyance to the easterly portion.

In the January 2005 storms, the District experienced an extraordinary event with the Santa Ana River washing away approximately 1,500 linear feet of sewer pipeline. Interim accommodations have been implemented. Construction of the permanent facilities is scheduled for completion in April 2010. The facilities are being funded by approximately \$9+ million in Federal and State disaster assistance funding, with the District requesting additional funding of \$2+ million.

Design of a new six million gallon reservoir on District property located near Sedona Avenue continues to be on the forefront. The project involves design and construction in the District's Atkinson pressure zone. Expected cost is \$2.7 million.

The District has awarded the construction of a 24" pipeline on Crestmore Road. This project will improve fire flows and provide appropriate sized conveyance lines from Wells 17 and 18 to needed areas. The estimated cost is \$500,000.

Also being planned are Pacific Avenue 16" and 12" water pipelines. These are needed to replace old lines and to better convey water through the system. Construction is being timed to coincide with the County's plan to repave the street, eliminating duplication of efforts. The cost estimate is \$950,000.

An additional manganese removal plant is planned for treatment of water from Wells 17 and 18. It will increase the volume of potable water and improve water quality. Design is nearing completion at a cost of \$450,000.

New 16" and 12" sewer pipelines will be designed in the Tilton/42nd Street area. These will replace existing problem lines and increase sewer capacity. Design is estimated at \$125,000.

Management continues to be proactive in planning for future growth with new and replacement infrastructure. Enrichment of these District assets will provide for continued solid financial strength into the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District's finances and to show the District's commitment to accountability. If you have any questions about this report or need additional financial information, contact the District's Accounting Department, at Rubidoux Community Services District, 3590 Rubidoux Blvd., Riverside, CA 92509.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS - DISTRICT-WIDE

June 30, 2009

Exhibit A
Page 1 of 2

	Governmental Activities	District-Wide Business-Type Activities	Total
ASSETS			
Current Assets			
Cash (Note 5)	\$ 196,881	\$ 899,867	\$ 1,096,748
Imprest cash (Note 5)	-	1,200	1,200
Local Agency Investment Funds (LAIF) (Note 5)	1,666,898	5,104,525	6,771,423
Accounts receivable, net (Note 7)	165,964	757,018	922,982
Due from other funds (Note 10)	625,282	(625,282)	-
Interest receivable	7,857	51,528	59,385
Receivable from FEMA/OES	-	1,725,659	1,725,659
Inventory	-	12,493	12,493
Prepayments and deposits	23,565	20,349	43,914
Total Current Assets	<u>2,686,447</u>	<u>7,947,357</u>	<u>10,633,804</u>
CAPITAL ASSETS, NET (NOTE 8)	<u>4,680,539</u>	<u>38,709,916</u>	<u>43,390,455</u>
OTHER ASSETS			
Bond issuance cost	-	321,128	321,128
Certificates of participation issuance cost, net	-	134,099	134,099
Restricted assets - cash (Notes 3 and 5)	1,017,783	8,311,743	9,329,526
Restricted assets - reserve funds (Notes 3 and 5)	-	801,549	801,549
Total Other Assets	<u>1,017,783</u>	<u>9,568,519</u>	<u>10,586,302</u>
Total Assets	<u>8,384,769</u>	<u>56,225,792</u>	<u>64,610,561</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS - DISTRICT-WIDE June 30, 2009

Exhibit A
Page 2 of 2

	Governmental Activities	District-Wide Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 758,464	\$ 1,573,015	\$ 2,331,479
Customer deposits	8,818	23,637	32,455
Unearned revenue - FEMA/OES	-	175,027	175,027
Current portion of long-term debt:			
Bonds payable/certificates of participation (Note 2)	-	325,402	325,402
Notes payable (Note 4)	-	165,925	165,925
Interest payable	-	72,292	72,292
Compensated absences (Note 9)	598,625	228,317	826,942
Total Current Liabilities	<u>1,365,907</u>	<u>2,563,615</u>	<u>3,929,522</u>
Long-Term Debt			
Bonds payable/certificates of participation (Note 2)	-	7,388,716	7,388,716
Notes payable (Note 4)	-	1,718,794	1,718,794
Total Long-Term Debt	<u>-</u>	<u>9,107,510</u>	<u>9,107,510</u>
Total Liabilities	<u>1,365,907</u>	<u>11,671,125</u>	<u>13,037,032</u>
NET ASSETS			
Investment in capital assets, net of related debt	4,680,539	29,111,079	33,791,618
Restricted:			
Capital projects	1,017,783	7,053,693	8,071,476
Debt service	-	2,059,599	2,059,599
Unrestricted	<u>1,320,540</u>	<u>6,330,296</u>	<u>7,650,836</u>
TOTAL NET ASSETS	<u>\$ 7,018,862</u>	<u>\$ 44,554,667</u>	<u>\$ 51,573,529</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - DISTRICT-WIDE For the Year Ended June 30, 2009

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
Administrative and support	\$ 1,996,465	\$ -	\$ -		\$ (953,020)	\$ -	\$ (953,020)
Contracted services	1,979,346	-	-		(1,979,346)	-	(1,979,346)
Total Governmental Activities	<u>3,975,811</u>	<u>-</u>	<u>-</u>		<u>(2,932,366)</u>	<u>-</u>	<u>(2,932,366)</u>
Business-Type Activities:							
Water utility	4,362,638	4,115,204	-		-	(247,434)	(247,434)
Sewer utility	2,278,578	1,892,456	-	8,781,360	-	8,395,238	8,395,238
Solid waste disposal	2,525,858	2,444,152	-	-	-	(81,706)	(81,706)
Total Business-Type Activities	<u>9,167,074</u>	<u>8,451,812</u>	<u>-</u>	<u>8,781,360</u>	<u>-</u>	<u>8,066,098</u>	<u>8,066,098</u>
Total Primary Government	<u>\$ 13,142,885</u>	<u>\$ 9,495,237</u>	<u>\$ -</u>	<u>\$ 8,781,360</u>	<u>(2,932,366)</u>	<u>8,066,098</u>	<u>5,133,732</u>
General Revenues							
Property taxes					2,428,558	150,000	2,578,558
Investment earnings					46,686	317,024	363,710
Other non-operating revenue					-	297,499	297,499
Total General Revenues					<u>2,475,244</u>	<u>764,523</u>	<u>3,239,767</u>
Changes in Net Assets-Before Transfer					(457,122)	8,830,621	8,373,499
Transfers In/(Out)					64,393	(64,393)	-
Change in Net Assets					<u>(392,729)</u>	<u>8,766,228</u>	<u>8,373,499</u>
Net Assets, July 1, 2008					7,411,591	35,788,439	43,200,030
Net Assets, June 30, 2009					<u>\$ 7,018,862</u>	<u>\$ 44,554,667</u>	<u>\$ 51,573,529</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

Exhibit C

	Governmental Funds		
	General	Fire Protection / Weed Abatement	Total
ASSETS			
Current Assets			
Cash (Note 5)	\$ 196,881	\$ -	\$ 196,881
Local Agency Investment Funds (LAIF) (Note 5)	1,666,898	-	1,666,898
Accounts receivable, net (Note 7)	164,370	1,594	165,964
Due from other funds (Note 10)	625,282	-	625,282
Interest receivable	7,857	-	7,857
Prepayments and deposits	23,565	-	23,565
Total Current Assets	<u>2,684,853</u>	<u>1,594</u>	<u>2,686,447</u>
OTHER ASSETS			
Restricted assets - cash (Notes 3 and 5)	-	1,017,783	1,017,783
Total Other Assets	<u>-</u>	<u>1,017,783</u>	<u>1,017,783</u>
TOTAL ASSETS	<u>\$ 2,684,853</u>	<u>\$ 1,019,377</u>	<u>\$ 3,704,230</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable	\$ 308,162	\$ 450,302	\$ 758,464
Customer deposits	8,818	-	8,818
Total Current Liabilities	<u>316,980</u>	<u>450,302</u>	<u>767,282</u>
Fund Balances			
Reserved for capital improvements	-	1,017,783	1,017,783
Undesignated	2,367,873	(448,708)	1,919,165
Total Fund Balances	<u>2,367,873</u>	<u>569,075</u>	<u>2,936,948</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,684,853</u>	<u>\$ 1,019,377</u>	<u>\$ 3,704,230</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended June 30, 2009

Exhibit D

REVENUE	
Property taxes and weed abatement	\$ 2,428,558
Other revenue	90,131
Total Revenue	<u>2,518,689</u>
EXPENDITURES	
Administration	841,212
Fire	1,979,346
Capital outlay	164,869
Total Expenditures	<u>2,985,427</u>
NET CHANGE IN FUND BALANCE	(466,738)
FUND BALANCE, JULY 1, 2008	<u>3,403,686</u>
FUND BALANCE, JUNE 30, 2009	<u>\$ 2,936,948</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2009

	<u>Exhibit E</u>
TOTAL FUND BALANCES - GOVERNMENT FUNDS (EXHIBIT C)	\$ 2,936,948
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,680,539
Long-term liabilities and compensated absences have not been included in the governmental funds activity:	
Compensated absences	<u>(598,625)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT G)	\$ <u>7,018,862</u>

RUBIDOUX COMMUNITY SERVICES DISTRICT

SUPPLEMENTAL INFORMATION - STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS AND RECONCILIATION WITH STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended June 30, 2009

Exhibit F

	Governmental Activities		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUE			
Property taxes	\$ 2,474,600	\$ 2,428,558	\$ (46,042)
Other revenue	815,438	90,131	(725,307)
Total Revenue	<u>3,290,038</u>	<u>2,518,689</u>	<u>(771,349)</u>
EXPENDITURES			
Administrative:			
Salaries and benefits (including pension)	1,229,500	1,386,205	(156,705)
Services and supplies	701,100	455,007	246,093
Capital outlays	266,400	164,869	101,531
Other	(1,000,000)	(1,000,000)	-
Fire department:			
Contract services	<u>2,093,038</u>	<u>1,979,346</u>	<u>113,692</u>
Total Expenditures	<u>3,290,038</u>	<u>2,985,427</u>	<u>304,611</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>-</u>	<u>(466,738)</u>	<u>(466,738)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (466,738)</u>	<u>\$ (466,738)</u>
CHANGE IN FUND BALANCE RECONCILED WITH EXHIBIT H			
Change in fund balance above			\$ (466,738)
Amounts reported for governmental activities on the statement of net assets are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Capital outlay			164,869
Depreciation			(155,253)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds.			
Net transfers			<u>64,393</u>
CHANGE IN FUND BALANCE - EXHIBIT H			<u>\$ (392,729)</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS June 30, 2009

Exhibit G

	Governmental Funds		
	General	Fire Protection / Weed Abatement	Total
ASSETS			
Current Assets			
Cash (Note 5)	\$ 196,881	\$ -	\$ 196,881
Local Agency Investment Funds (LAIF) (Note 5)	1,666,898	-	1,666,898
Accounts receivable, net (Note 7)	164,370	1,594	165,964
Due from other funds (Note 10)	625,282	-	625,282
Interest receivable	7,857	-	7,857
Prepayments and deposits	23,565	-	23,565
Total Current Assets	<u>2,684,853</u>	<u>1,594</u>	<u>2,686,447</u>
CAPITAL ASSETS, NET (NOTE 8)	<u>4,680,539</u>	<u>-</u>	<u>4,680,539</u>
OTHER ASSETS			
Restricted assets - cash (Notes 3 and 5)	-	1,017,783	1,017,783
Total Other Assets	<u>-</u>	<u>1,017,783</u>	<u>1,017,783</u>
Total Assets	<u>7,365,392</u>	<u>1,019,377</u>	<u>8,384,769</u>
LIABILITIES			
Current Liabilities			
Accounts payable	308,162	450,302	758,464
Customer deposits	8,818	-	8,818
Compensated absences (Note 9)	598,625	-	598,625
Total Current Liabilities	<u>915,605</u>	<u>450,302</u>	<u>1,365,907</u>
NET ASSETS			
Investment in capital assets	4,680,539	-	4,680,539
Reserved for capital improvements	-	1,017,783	1,017,783
Undesignated	<u>1,769,248</u>	<u>(448,708)</u>	<u>1,320,540</u>
TOTAL NET ASSETS	<u>\$ 6,449,787</u>	<u>\$ 569,075</u>	<u>\$ 7,018,862</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended June 30, 2009

Exhibit H

	Governmental Funds		
	General	Fire Protection / Weed Abatement	Total
REVENUE			
Property taxes and weed abatement	\$ 2,408,020	\$ 20,538	\$ 2,428,558
Licenses and permits	9,593	-	9,593
Interest	46,686	-	46,686
Other revenue	33,852	-	33,852
Total Revenue	<u>2,498,151</u>	<u>20,538</u>	<u>2,518,689</u>
EXPENDITURES			
Salaries and benefits (including pension)	1,386,205	-	1,386,205
Contract services	-	1,979,346	1,979,346
Electrical power	148,017	-	148,017
Operating expense	112,595	-	112,595
Maintenance and repairs	19,408	-	19,408
Depreciation	155,253	-	155,253
Insurance	20,237	-	20,237
Professional fees	44,184	-	44,184
Other	106,726	3,840	110,566
Administrative fee	(1,000,000)	-	(1,000,000)
Total Expenditures	<u>992,625</u>	<u>1,983,186</u>	<u>2,975,811</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,505,526</u>	<u>(1,962,648)</u>	<u>(457,122)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	64,393	2,628,107	2,692,500
Operating transfers out	(2,628,107)	-	(2,628,107)
Total Other Financing Sources (Uses)	<u>(2,563,714)</u>	<u>2,628,107</u>	<u>64,393</u>
NET CHANGE IN FUND BALANCE	<u>(1,058,188)</u>	<u>665,459</u>	<u>(392,729)</u>
FUND BALANCE, JULY 1, 2008	<u>7,507,975</u>	<u>(96,384)</u>	<u>7,411,591</u>
FUND BALANCE, JUNE 30, 2009	<u>\$ 6,449,787</u>	<u>\$ 569,075</u>	<u>\$ 7,018,862</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2009

Exhibit I
Page 1 of 2

	Business-Type Activities			
	Enterprise Funds			Total
	Water Utility	Sewer Utility	Solid Waste Disposal	
ASSETS				
Current Assets				
Cash (Note 5)	\$ 453,130	\$ 446,737	\$ -	\$ 899,867
Imprest cash (Note 5)	1,200	-	-	1,200
Local Agency Investment Funds (LAIF) (Note 5)	4,679,250	425,275	-	5,104,525
Accounts receivable, net (Note 7)	300,752	226,175	230,091	757,018
Due from / (to) other funds (Note 10)	(902,652)	277,370	-	(625,282)
Interest receivable	38,768	12,760	-	51,528
Receivable from FEMA/OES	-	1,725,659	-	1,725,659
Inventory	12,493	-	-	12,493
Prepayments and deposits	20,201	148	-	20,349
Total Current Assets	<u>4,603,142</u>	<u>3,114,124</u>	<u>230,091</u>	<u>7,947,357</u>
CAPITAL ASSETS, NET (NOTE 8)	<u>17,879,712</u>	<u>20,830,204</u>	<u>-</u>	<u>38,709,916</u>
OTHER ASSETS				
Bond issuance cost	321,128	-	-	321,128
Certificates of participation issuance cost, net	134,099	-	-	134,099
Restricted assets - cash (Notes 3 and 5)	4,992,316	3,319,427	-	8,311,743
Restricted assets - reserve funds (Notes 3 and 5)	801,549	-	-	801,549
Total Other Assets	<u>6,249,092</u>	<u>3,319,427</u>	<u>-</u>	<u>9,568,519</u>
Total Assets	<u>28,731,946</u>	<u>27,263,755</u>	<u>230,091</u>	<u>56,225,792</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2009

Exhibit I
Page 2 of 2

		Business-Type Activities			
		Enterprise Funds			
		Water Utility	Sewer Utility	Solid Waste Disposal	Total
LIABILITIES					
Current Liabilities					
Accounts payable	\$	525,764	\$ 1,047,251	\$ -	\$ 1,573,015
Customer deposits		23,637	-	-	23,637
Unearned revenue - FEMA/OES		-	175,027	-	175,027
Current portion of long-term debt:					
Bonds payable/certificates of participation (Note 2)		325,402	-	-	325,402
Notes payable (Note 4)		-	165,925	-	165,925
Interest payable		32,713	39,579	-	72,292
Compensated absences (Note 9)		221,643	6,674	-	228,317
Total Current Liabilities		<u>1,129,159</u>	<u>1,434,456</u>	<u>-</u>	<u>2,563,615</u>
Long-Term Debt					
Bonds payable/certificates of participation (Note 2)		7,388,716	-	-	7,388,716
Notes payable (Note 4)		-	1,718,794	-	1,718,794
Total Long-Term Debt		<u>7,388,716</u>	<u>1,718,794</u>	<u>-</u>	<u>9,107,510</u>
Total Liabilities		<u>8,517,875</u>	<u>3,153,250</u>	<u>-</u>	<u>11,671,125</u>
NET ASSETS					
Investment in capital assets, net of related debt		10,165,594	18,945,485	-	29,111,079
Restricted:					
Capital projects		3,734,266	3,319,427	-	7,053,693
Debt service		2,059,599	-	-	2,059,599
Unrestricted		<u>4,254,612</u>	<u>1,845,593</u>	<u>230,091</u>	<u>6,330,296</u>
TOTAL NET ASSETS	\$	<u>20,214,071</u>	\$ <u>24,110,505</u>	\$ <u>230,091</u>	\$ <u>44,554,667</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For the Year Ended June 30, 2009

Exhibit J

	Business-Type Activities			
	Enterprise Funds			Total
	Water Utility	Sewer Utility	Solid Waste Disposal	
OPERATING REVENUE				
Charges for current services	\$ 2,773,106	\$ 1,882,509	\$ 2,443,501	\$ 7,099,116
Bond replacement revenue	1,161,000	-	-	1,161,000
Other revenue	181,098	9,947	651	191,696
Total Operating Revenue	<u>4,115,204</u>	<u>1,892,456</u>	<u>2,444,152</u>	<u>8,451,812</u>
OPERATING EXPENSES				
Salaries and benefits (including pension)	1,497,482	58,026	-	1,555,508
Contracted services	-	-	2,356,890	2,356,890
Electrical power	329,487	47,104	-	376,591
Operating expense	249,569	4,552	-	254,121
Maintenance and repairs	67,272	156,813	-	224,085
Operating treatment	328,204	1,006,174	-	1,334,378
Depreciation and amortization	690,179	615,364	-	1,305,543
Insurance	68,118	6,271	-	74,389
Professional fees	22,337	5,726	-	28,063
Bad debts	36,529	9,613	18,968	65,110
Other	97,572	15,033	-	112,605
Administrative fee	550,000	300,000	150,000	1,000,000
Total Operating Expenses	<u>3,936,749</u>	<u>2,224,676</u>	<u>2,525,858</u>	<u>8,687,283</u>
OPERATING INCOME (LOSS)	<u>178,455</u>	<u>(332,220)</u>	<u>(81,706)</u>	<u>(235,471)</u>
NON-OPERATING REVENUE (EXPENSES)				
Capital replacement	185,479	-	-	185,479
Capacity fees	81,420	30,600	-	112,020
Contributed capital	-	8,781,360	-	8,781,360
Property tax	-	150,000	-	150,000
Interest income	212,050	104,974	-	317,024
Interest expense	(425,889)	(53,902)	-	(479,791)
Total Non-Operating Revenue (Expenses)	<u>53,060</u>	<u>9,013,032</u>	<u>-</u>	<u>9,066,092</u>
INCOME BEFORE TRANSFERS	<u>231,515</u>	<u>8,680,812</u>	<u>(81,706)</u>	<u>8,830,621</u>
Transfers in (out)	<u>(218,697)</u>	<u>218,697</u>	<u>(64,393)</u>	<u>(64,393)</u>
INCOME AFTER TRANSFERS	<u>12,818</u>	<u>8,899,509</u>	<u>(146,099)</u>	<u>8,766,228</u>
TOTAL NET ASSETS, JULY 1, 2008	<u>20,201,253</u>	<u>15,210,996</u>	<u>376,190</u>	<u>35,788,439</u>
TOTAL NET ASSETS, JUNE 30, 2009	<u>\$ 20,214,071</u>	<u>\$ 24,110,505</u>	<u>\$ 230,091</u>	<u>\$ 44,554,667</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For the Year Ended June 30, 2009

Exhibit K
Page 1 of 2

	Business-Type Activities			
	Enterprise Funds			Total
	Water Utility	Sewer Utility	Solid Waste Disposal	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,868,004	\$ 2,078,524	\$ 2,655,261	\$ 8,601,789
Payments to suppliers and other	(410,685)	(926,212)	(2,440,868)	(3,777,765)
Payments to or on behalf of employees	(1,461,901)	(57,106)	-	(1,519,007)
Other receipts (payments)	(550,000)	(300,000)	(150,000)	(1,000,000)
Net Cash Provided by Operating Activities	<u>1,445,418</u>	<u>795,206</u>	<u>64,393</u>	<u>2,305,017</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets and developer proceeds	(320,318)	(1,988,748)	-	(2,309,066)
Funding transfers	(218,697)	218,697	(64,393)	(64,393)
Principal paid on capital debt	(310,402)	(161,406)	-	(471,808)
Interest paid on capital debt	(398,143)	(57,292)	-	(455,435)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,247,560)</u>	<u>(1,988,749)</u>	<u>(64,393)</u>	<u>(3,300,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from investments	2,590,543	-	-	2,590,543
Purchase of investments	(245,799)	-	-	(245,799)
Interest	479,208	105,432	-	584,640
Net Cash Provided by Investing Activities	<u>2,823,952</u>	<u>105,432</u>	<u>-</u>	<u>2,929,384</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>3,021,810</u>	<u>(1,088,111)</u>	<u>-</u>	<u>1,933,699</u>
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>7,905,635</u>	<u>5,279,550</u>	<u>-</u>	<u>13,185,185</u>
CASH AND RESTRICTED CASH AT END OF YEAR (NOTE 5)	<u>\$ 10,927,445</u>	<u>\$ 4,191,439</u>	<u>\$ -</u>	<u>\$ 15,118,884</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For the Year Ended June 30, 2009

Exhibit K
Page 2 of 2

	Business-Type Activities			
	Enterprise Funds			Total
	Water Utility	Sewer Utility	Solid Waste Disposal	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED) FOR OPERATING ACTIVITIES				
Operating income (loss)	\$ 178,455	\$ (332,220)	\$ (81,706)	\$ (235,471)
Adjustments to reconcile operating income to net cash provided by (used) for operating activities:				
Depreciation expense	679,106	615,364	-	1,294,470
Bad debts	36,529	9,613	18,968	65,110
Property tax	-	150,000	-	150,000
Change in assets and liabilities:				
Receivables, net	174,922	112,516	211,109	498,547
Compensated absences	35,581	920	-	36,501
Prepaid and deposits	(3,905)	-	-	(3,905)
Inventories	905	-	-	905
Accounts and other payables	343,825	570,562	(83,978)	830,409
Unearned revenue	-	(331,549)	-	(331,549)
Net Cash Provided by Operating Activities	<u>\$ 1,445,418</u>	<u>\$ 795,206</u>	<u>\$ 64,393</u>	<u>\$ 2,305,017</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital received in conjunction with fixed asset acquisitions	<u>\$ -</u>	<u>\$ 8,781,360</u>	<u>\$ -</u>	<u>\$ 8,781,360</u>

The accompanying notes are an integral part of these financial statements.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rubidoux Community Services District was organized under the provisions of the State of California on November 24, 1952. The District operates under a governing Board of Directors and provides the following services: Fire protection, sewer service, solid waste disposal (trash billing and collection), weed control, water service and street lighting. The financial statements of the District have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to enterprise funds of governmental units. The governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also follows the Uniform System of Accounts as prescribed by the Controller of the State of California.

The accompanying financial statements present the activities of the District. The District has no component units, entities for which the District is financially accountable.

Basis of Presentation and Basis of Accounting

Basis of Presentation:

The basic financial statements of the District are composed of the following:

- District-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The financial activities of the District that are reported in the accompanying financial statements have been classified into the following major governmental and proprietary funds.

Governmental Funds

General Fund

This fund accounts for all activities of the District not specifically required to be accounted for in other funds. This fund primarily reflects general administrative type activities associated with overall management and record keeping for the District and contracted fire services.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued):

Fire Protection / Weed Abatement

This fund accounts for the net economic benefit flowing through to the District for its administrative efforts associated with this fund.

Proprietary Funds

When the District charges for services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenue, Expenses and Changes in Net Assets.

Proprietary fund operating revenues and expenses are related to providing water, waste-water, and solid waste disposal services to the residents and businesses of the District. Revenue and expenses arising from capital and non-capital financing activities are presented as non-operating revenues and expenses.

The District has the following major proprietary funds:

- Water, sewer, and solid waste disposal funds. These funds account for the activities of the District's water supply system, pumping stations, collection systems and contracted sewer capacity arrangements, as well as contracted solid waste disposal operations.

Basis of Accounting:

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the District-wide Financial Statements.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued):

District-wide, governmental-net assets and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes apply. Property taxes are collected for the District by the County of Riverside. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

All business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Budgetary Procedures

At the beginning of each fiscal year the District files an itemized estimate of anticipated revenue, other than current taxes, and of estimated expenditures for the General Fund with the Riverside County Auditor Controller.

The District's primary sources of revenue are from property taxes levied and controlled by Riverside County and billings by the District's Water Department. Other receipts are from Sewer Service and Solid Waste Disposal and Augmentation Funds from the State of California.

Article 7(a) of Ordinance Number 67 as amended by Ordinance Number 72, ordains that fifty percent of sewer charge funds collected may be applied toward such other services that the Board of Directors shall from time to time determine. The remaining fifty percent of sewer charge funds collected shall be used for additional treatment plant labor, for capital improvements of the District, or for such other purposes that the Board of Directors shall from time to time determine.

The District's Board of Directors approves total budgeted appropriations and expenditures and adopts the budget on a basis consistent with generally accepted accounting principles (GAAP) of the United States of America. Only the Board of Directors is authorized to transfer or revise budget amounts of any fund.

Unused appropriations for all the annually budgeted funds lapse at the end of the fiscal year. Year end encumbrances are accrued.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Elements

Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, money market accounts, deposits with financial institutions and deposits in the State of California Local Agency Investment Fund and other investments with initial maturities of seven months or less. Deposits in the Local Agency Investment Fund can be withdrawn at any time.

Cash Balances

The District normally maintains bank accounts at various financial institutions with balances in excess of the FDIC (Federal Deposit Insurance Corporation) insurable levels of \$250,000.

Credit/Market Risk

The District provides water and wastewater services to local residential and commercial customers. As part of normal operating practices, credit is granted to local customers, on an unsecured basis.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party.

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California law this collateral is held in the District's name and places the District ahead of general creditors of the institution.

Accounts Receivable

The District extends credit to customers in the normal course of operations. Management reviews all accounts receivable as collectible; however, certain accounts are delinquent and an allowance for doubtful accounts has been recorded.

Property Taxes and Assessments

The Riverside County Assessor's Office assesses all real personal property within the County each year. The Riverside County Tax Collector's Office bills and collects the District's share of property taxes and/or tax assessments. The Riverside County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Elements (Continued)

Property Taxes and Assessments (Continued)

Property taxes and assessments receivable at year-end are related to property taxes and special assessments collected by the Riverside County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Materials and Supplies Inventory

Materials and supplies inventory consists primarily of materials used in the construction and maintenance of the District's water and wastewater systems and is valued at the lower of cost, using the first-in, first-out method, or market.

Deferred Charges

Deferred charges are reported net of accumulated amortization. The costs are amortized on the straight-line method based on the estimated term of the related debt. Amortization expense is recorded to interest expense in the financial statements.

Restricted Assets

Various resources of the District are limited as to their use by law or by debt covenants and are classified on the balance sheet as restricted assets. Undisbursed debt proceeds are restricted for repayment of the debt. Also, fees imposed on new real estate development are restricted by law for the construction of capital improvements which benefit the development projects.

Capital Assets

Capital assets purchased or constructed are carried at historical cost. Constructed costs include labor, materials and construction period interest expense (net of interest income). Contributed assets are stated at estimated fair market value at the time received by the District. Depreciation is calculated on the straight-line method over the estimated useful lives of the properties, ranging from five to fifty years, as follows:

<u>Asset Category</u>	<u>Years</u>
Structures and improvements:	
Buildings and intangible plant	20-50
Sewer systems	5-25
Water pollution plant and interceptor sewers	5-40
Water facilities	10-50
Pipelines and water facilities	10-50
Jurupa Hills and water systems	12-50

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Elements (Continued)

Capital Assets (Continued)

<u>Asset Category</u>	<u>Years</u>
Equipment:	
Autos and trucks	5-7
Office furniture and equipment	5-15
Shop equipment	5-15
Radios and power plant	5-10

Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees.

Net Assets/Fund Balances

The District-wide financial statements utilize a net assets presentation. Net assets categories are as follows:

- Net Investment in Capital Assets - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.
- Restricted Net Assets - This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets - This component of net assets consists of net assets that do not meet the definition of *restricted* or *net investment in capital asset*.

In the fund financial statements, reserves and designations segregate portions of fund balances that are either not available or have been earmarked for specific purposes. Reservations and designations of fund balance are described below:

- Reserved - Some of the assets reported in governmental funds are not available for spending in the subsequent year's budget. Fund balance also is reserved to indicate situations where a position of fund balance is not available for spending on any and all purposes of the fund.
- Unreserved Designated - Designations essentially reflect a government's self imposed limitations on the use of otherwise available current financial resources.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Elements (Continued)

Utility Sales

Utility sales are billed on a monthly basis. Estimated unbilled utility revenue through June 30 has been accrued at year-end for the enterprise funds.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital connection expenditures or capacity commitment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

Bonds payable and certificates of participation consisted of the following at June 30, 2009:

	<u>Balance</u>	<u>Payments</u>
Water Utility:		
Certificates of Participation		
Series 1998, (Refunding issue of Series 95) maturing 2024. Interest payable semiannually on June 1 and December 1. Principal due in annual installments on December 1. Final payment due December 1, 2024. (Net of discount \$70,882)	\$ 7,714,118	\$ 330,000
Less current portion - Exhibits A and I	<u>325,402</u>	
Long-Term Portion - Exhibits A and I	<u>\$ 7,388,716</u>	

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 2 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION (CONTINUED)

Maturities of bonds payable, net of bond discount, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
	1998 Series Certificates of Participation	1998 Series Certificates of Participation	
2010	\$ 325,402	\$ 384,963	\$ 710,365
2011	335,402	369,383	704,785
2012	355,402	352,303	707,705
2013	375,402	333,617	709,019
2014	390,402	314,048	704,450
2015 - 2019	2,297,010	1,238,710	3,535,720
2020 - 2024	2,947,010	569,925	3,516,935
2025	688,088	17,595	705,683
Total	\$ <u>7,714,118</u>	\$ <u>3,580,544</u>	\$ <u>11,294,662</u>

NOTE 3 - RESTRICTED ASSETS

Capital Projects Funds

The District is required to maintain reserve funds for debt service on outstanding bonds payable and certificates of participation. The following reflects reserve funds for the outstanding debt arrangement and all other restricted assets. Restricted cash funds consisted of the following on June 30, 2009:

Certificates of Participation - Series 1998:

Funds held by U.S. Bank	\$ 801,549
Total Restricted Assets Reserve Funds - Exhibits A and I	<u>801,549</u>

Other District funds for connection/capacity fees and other future uses, as well as receivable amounts due as contribution capital:

Cash - Sewer - connection/capacity fees, (C/D and cash - Citizens)	3,319,427
Cash - Water - connection fees, (B of A, Citizens, Security, Union and City National)	3,330,716
Cash - Water - COP's, (LAIF and B of A)	1,258,050

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 3 - RESTRICTED ASSETS (CONTINUED)

Capital Projects Funds (Continued)

Cash - Water - capital replacements, (LAIF)	\$ 403,550
Cash - Fire prevention, (B of A, Security and Union) - Exhibit C	1,017,783
Total Restricted Cash - Note 5 and Exhibit A	9,329,526
Total Restricted Assets	\$ 10,131,075

Note: Restricted Cash Includes LAIF Deposits.

Restricted cash and receivable connection/capacity/improvement project fees for each designated purpose is as follows at June 30, 2009:

	Water	Sewer	Fire Prevention	Total
Cash	\$ 4,992,316	\$ 3,319,427	\$ 1,017,783	\$ 9,329,526
Reserve funds	801,549	-	-	801,549
Total - Exhibit A	\$ 5,793,865	\$ 3,319,427	\$ 1,017,783	\$ 10,131,075

Note: Restricted Cash Includes LAIF Deposits.

NOTE 4 - NOTES PAYABLE

Notes payable consisted of the following at June 30, 2009:

	Current	Long-Term	Total
<u>State Revolving Loan</u>			
State Water Resources Board for the Construction of Regional Wastewater Conveyance Pipeline. Payment and interest payable in annual payments of \$218,697 on October 1, at 2.8% per annum. Matures October 1, 2018.	\$ 165,925	\$ 1,718,794	\$ 1,884,719

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 4 - NOTES PAYABLE (CONTINUED)

Maturities of notes payable are as follows:

Fiscal Year Ending June 30,	State Revolving Loan		Total
	Principal	Interest	
2010	\$ 165,925	\$ 52,772	\$ 218,697
2011	170,571	48,126	218,697
2012	175,347	43,350	218,697
2013	180,257	38,440	218,697
2014	185,304	33,393	218,697
2015 - 2019	1,007,315	86,172	1,093,487
Total	\$ 1,884,719	\$ 302,253	\$ 2,186,972

NOTE 5 - RECONCILIATION OF CASH AND CASH EQUIVALENTS

	Governmental	Water	Sewer	Total
Cash - Exhibits A, C and I	\$ 196,881	\$ 453,130	\$ 446,737	\$ 1,096,748
Imprest cash - Exhibits A and I	-	1,200	-	1,200
Restricted assets - cash - Exhibits A, C, G and I	1,017,783	4,992,316	3,319,427	9,329,526
LAIF - Exhibits A, C, G and I (unrestricted)	1,666,898	4,679,250	425,275	6,771,423
Restricted assets - reserve funds - Exhibits A and I	-	801,549	-	801,549
Total Cash and Equivalents - Exhibit K	\$ 2,881,562	\$ 10,927,445	\$ 4,191,439	\$ 18,000,446

NOTE 6 - BENEFIT PLANS

Effective July 2004, the District had converted entirely to the Cal PERS Plan. This plan required the payment of \$2,069,399 for unfunded contributions representing both the current year and all prior year pension funding levels, based on employee hire date and payroll data for those periods.

Cal PERS has provided the District with a New Category Actuarial Valuation, as of March 31, 2004, that provides plan descriptions and actuarial valuation data for the Plan. The Cal PERS correspondence includes disclosures of pertinent plan information, as follows:

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 6 - BENEFIT PLANS (CONTINUED)

Plan Description

The District contributes to the California Public Employees Retirement System (Cal PERS), an agent multiple-employer public employee defined benefit pension plan. Cal PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Cal PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the state statute and district resolutions. Copies of CalPERS annual financial report may be obtained from their Executive Office: 400 P Street, Sacramento, CA 95814.

Funding Policy

The District pays employer and employee premiums to the plan, which are 12.404% and 8%, respectively. The contribution requirements are established by and may be amended by Cal PERS. Plan contributions are calculated using actuarial assumptions which are referred to as the Entry Age Normal Cost Method. The actuarial assumptions include (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service and (c) 3.75% overall payroll growth rate. Both (a) and (b) include an inflation component of 3.5%.

Annual Pension Cost

The annual PERS pension cost for the year ended June 30, 2009 was \$373,909, and was equal to the District's required and actual contributions.

	Governmental	Water	Sewer
Current period expense to PERS	\$ <u>175,833</u>	\$ <u>191,989</u>	\$ <u>6,087</u>

Three year trend information is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2007	\$ 270,636	100%	\$ -
June 30, 2008	339,876	100%	-
June 30, 2009	373,909	100%	-

NOTE 7 - ACCOUNTS RECEIVABLE

The detail of accounts receivable is as follows at June 30, 2009.

Weed Abatement:

Property assessments for weed abatement - Exhibit C \$ 1,594

Governmental Fund taxes/developer charge backs - Exhibit C 164,370

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 7 - ACCOUNTS RECEIVABLE (CONTINUED)

Water Fund - Exhibit I			
Billed, net	\$	80,865	
Unbilled		<u>219,887</u>	\$ 300,752
Sewer Service Fund - Exhibit I			
Sewer billed, net		28,388	
Sewer unbilled		25,035	
Regional billed		100,256	
Regional unbilled		<u>72,496</u>	226,175
Solid Waste Disposal Fund - Exhibit I			
Billed, net		115,519	
Unbilled		<u>114,572</u>	<u>230,091</u>
Total Accounts Receivable - Exhibit A			<u>\$ 922,982</u>

Allowance for doubtful accounts at June 30, 2009, is provided as follows:

Water fund	\$	38,105
Sewer fund		15,723
Solid waste disposal fund		<u>20,008</u>
Total	\$	<u>73,836</u>

NOTE 8 - CAPITAL ASSETS

Property, plant and equipment were comprised of the following at June 30, 2009:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental</u>				
Land	\$ 308,117	\$ -	\$ -	\$ 308,117
Structures and improvements	3,662,494	49,438	-	3,711,932
Equipment	1,431,714	64,083	(131,091)	1,364,706
Construction in progress	-	51,358	-	51,358
Total Cost	<u>5,402,325</u>	<u>164,879</u>	<u>(131,091)</u>	<u>5,436,113</u>
Accumulated depreciation	<u>(693,692)</u>	<u>(155,253)</u>	<u>93,371</u>	<u>(755,574)</u>
Net - Exhibit A	<u>4,708,633</u>	<u>9,626</u>	<u>(37,720)</u>	<u>4,680,539</u>

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Water Utility

Land	\$ 522,185	\$ -	\$ -	\$ 522,185
Structures and improvements	22,898,744	-	-	22,898,744
Equipment	1,174,639	74,596	(48,637)	1,200,598
Construction in progress	161,614	512,621	-	674,235
Total Cost	24,757,182	587,217	(48,637)	25,295,762
Accumulated depreciation	(6,785,581)	(679,106)	48,637	(7,416,050)
Net - Exhibit I	17,971,601	(91,889)	-	17,879,712

Sewer Utility

Land	17,825	-	-	17,825
Structures and improvements	23,676,054	-	-	23,676,054
Equipment	257,947	-	-	257,947
Construction in progress	889,791	9,176,639	-	10,066,430
Total Cost	24,841,617	9,176,639	-	34,018,256
Accumulated depreciation	(12,572,688)	(615,364)	-	(13,188,052)
Net - Exhibit I	12,268,929	8,561,275	-	20,830,204
Total Capital Assets, Net - Exhibit A	\$ 34,949,163	\$ 8,479,012	\$ (37,720)	\$ 43,390,455

NOTE 9 - COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation, sick leave and comp time, a portion of which will be paid to employees upon separation from the District. Once a year, the District "cashes out" to employees their sick leave hours in excess of 600 hours. Current period charges or reductions to expense or expenditures totaled \$69,800, \$35,581 and \$920 in the General, Water and Sewer Funds, respectively. All appropriate accruals were recorded in the respective funds. Accrued balances at June 30, 2009, totaled \$598,625, \$221,643 and \$6,674 in the General, Water and Sewer Funds, respectively for a total of \$826,942.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 - RECONCILIATION OF INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due from and (due to) other funds:

<u>Due To</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Governmental	\$ 23,587	\$ (648,869)	\$ (625,282)
Water Fund	-	926,239	926,239
Sewer Fund	(926,239)	-	(926,239)
Total - Exhibits A, C and I	\$ <u>(902,652)</u>	\$ <u>277,370</u>	\$ <u>(625,282)</u>

NOTE 11 - REAL PROPERTIES

Properties owned by the District are as follows:

Property Site - Wilson Street and Agua Mansa Boulevard
 Treatment Plant (approximately 10 acres)
 Main Office - 3590 Rubidoux Boulevard
 Field Office Building - Pacific Street at Riverview Avenue
 9 water well sites
 Vacant lot - South Sedona Drive
 Vacant lot - Golden West Avenue
 Nitrate Wellhead Treatment Facility
 Manganese Treatment Facility
 Well sites #17 & #18 - 34th Street
 Fort Fremont Parcel
 Land adjacent to District Office
 Goldenwest Reservoir Site
 7 Reservoir tanks
 Mission / Avalon Fire Station

NOTE 12 - CONTRIBUTED CAPITAL/FINANCING ARRANGEMENT

During April 2003, the District entered into an agreement with the Redevelopment Agency for the County of Riverside (the Agency).

Among other projects, the Agency is involved in the Mission Boulevard Revitalization Program and the Rubidoux Community Fire Station Project, of which both endeavors favorably affect the District. These projects are completed and the only item remaining is for the County to quitclaim fire hydrants and air vacs regarding the Mission Boulevard Revitalization Program.

RUBIDOUX COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 12 - CONTRIBUTED CAPITAL/FINANCING ARRANGEMENT (CONTINUED)

On a cumulative basis, contributed capital received by the District in prior periods and during the current fiscal year is summarized as follows:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cumulatively to June 30, 2008	\$ 4,426,019	\$ 8,512,244	\$ 11,863,122	\$ 24,801,385
Fiscal year, June 30, 2009 contributed capital	<u>-</u>	<u>-</u>	<u>8,781,360</u>	<u>8,781,360</u>
Total June 30, 2009	\$ <u>4,426,019</u>	\$ <u>8,512,244</u>	\$ <u>20,644,482</u>	\$ <u>33,582,745</u>

NOTE 13 - SUBSEQUENT EVENTS

The District reports subsequent events on pages 7 and 8 of the Management's Discussion and Analysis. No subsequent events would materially change the basic financial statements as of and for the year ended June 30, 2009.

SUPPLEMENTAL INFORMATION

RUBIDOUX COMMUNITY SERVICES DISTRICT

SUPPLEMENTAL INFORMATION - TEN YEAR FINANCIAL TRENDS

(Rounded to Thousand Dollars)

For the Year Ended June 30, 2009

Schedule 1

Change in Net Assets or Fund Balance

	General	Water	Sewer	Solid Waste Disposal	Total
June 30, 2000	\$ 139,000	\$ 1,546,000	\$ 58,000	\$ -	\$ 1,743,000
June 30, 2001	109,000	1,665,000	80,000	-	1,854,000
June 30, 2002	180,000	1,330,000	51,000	-	1,561,000
June 30, 2003	800,000	3,444,000	754,000	-	4,998,000
June 30, 2004 (A)	365,000	926,000	51,000	-	1,342,000
June 30, 2005 (B)	205,000	557,000	(188,000)	(10,000)	564,000
June 30, 2006	806,000	3,289,000	419,000	24,000	4,538,000
June 30, 2007	2,701,000	952,000	91,000	91,000	3,835,000
June 30, 2008	(600,000)	326,000	1,945,000	94,000	1,765,000
June 30, 2009	(393,000)	13,000	8,900,000	(146,000)	8,374,000

Net Assets or Fund Balance

	General	Water	Sewer	Solid Waste Disposal	Total
June 30, 2000	\$ 5,763,000	\$ 8,155,000	\$ 7,235,000	\$ -	\$ 21,153,000
June 30, 2001	6,091,000	11,289,000	7,315,000	-	24,695,000
June 30, 2002	5,737,000	12,619,000	7,367,000	-	25,723,000
June 30, 2003					
(As restated) (C)	2,870,000	15,434,000	12,852,000	-	31,156,000
June 30, 2004	4,476,000	15,078,000	12,944,000	-	32,498,000
June 30, 2005 (B)	4,505,000	15,635,000	12,756,000	166,000	33,062,000
June 30, 2006	5,311,000	18,924,000	13,175,000	190,000	37,600,000
June 30, 2007	8,012,000	19,876,000	13,266,000	281,000	41,435,000
June 30, 2008	7,412,000	20,201,000	15,211,000	376,000	43,200,000
June 30, 2009	7,019,000	20,214,000	24,111,000	230,000	51,574,000

(A) Before prior period pension funding adjustment of \$1.8 million and related transfers.

(B) Solid Waste Disposal operation was considered as part of the General Fund prior to the year ended June 30, 2005

(C) Fund Equity, Retained Earnings, Fund Balance or Net Assets, as applicable also includes contributed capital receipts. Effective June 30, 2004, the District adopted GASB 34 accounting treatment.

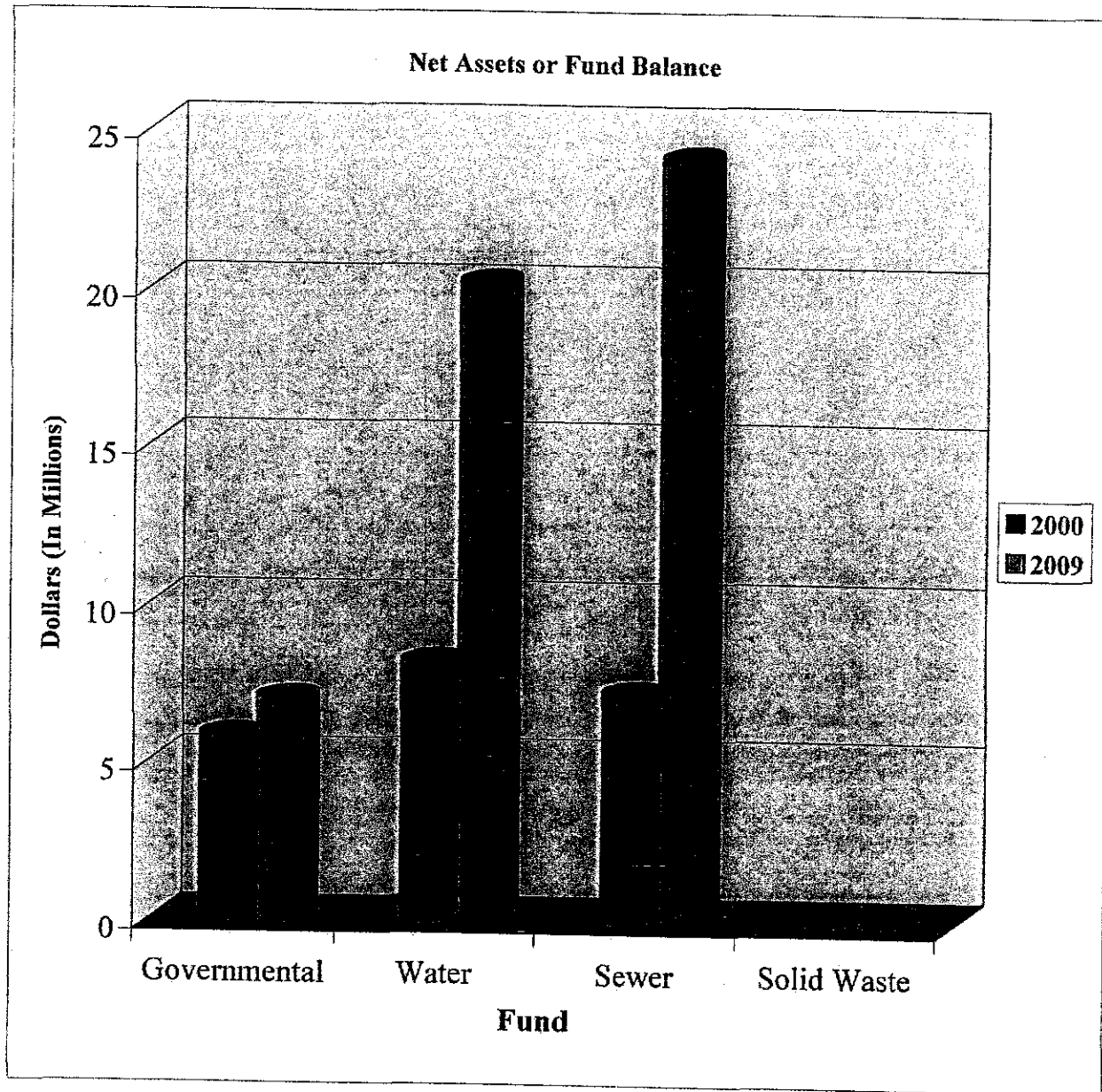
RUBIDOUX COMMUNITY SERVICES DISTRICT

Schedule 2

Page 1 of 5

SUPPLEMENTAL INFORMATION - GRAPHIC FINANCIAL COMPARISONS

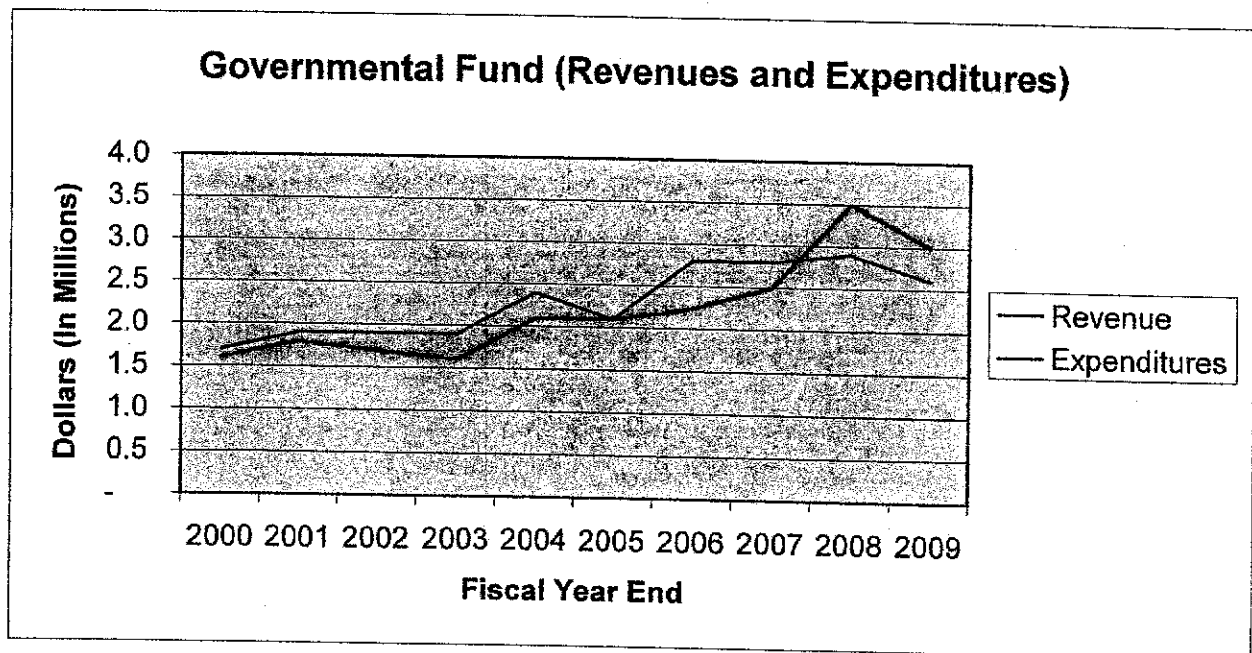
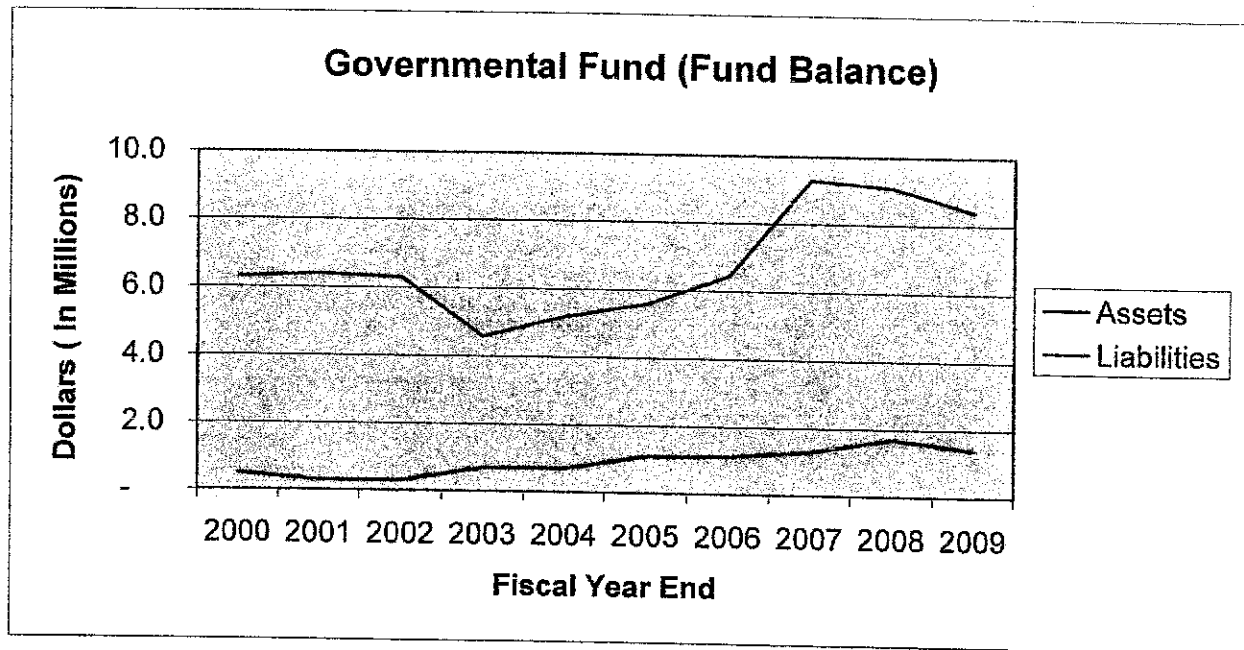
As of and for the Year Ended June 30, 2009



RUBIDOUX COMMUNITY SERVICES DISTRICT

Schedule 2
Page 2 of 5

SUPPLEMENTAL INFORMATION - GRAPHIC FINANCIAL COMPARISONS As of and for the Year Ended June 30, 2009

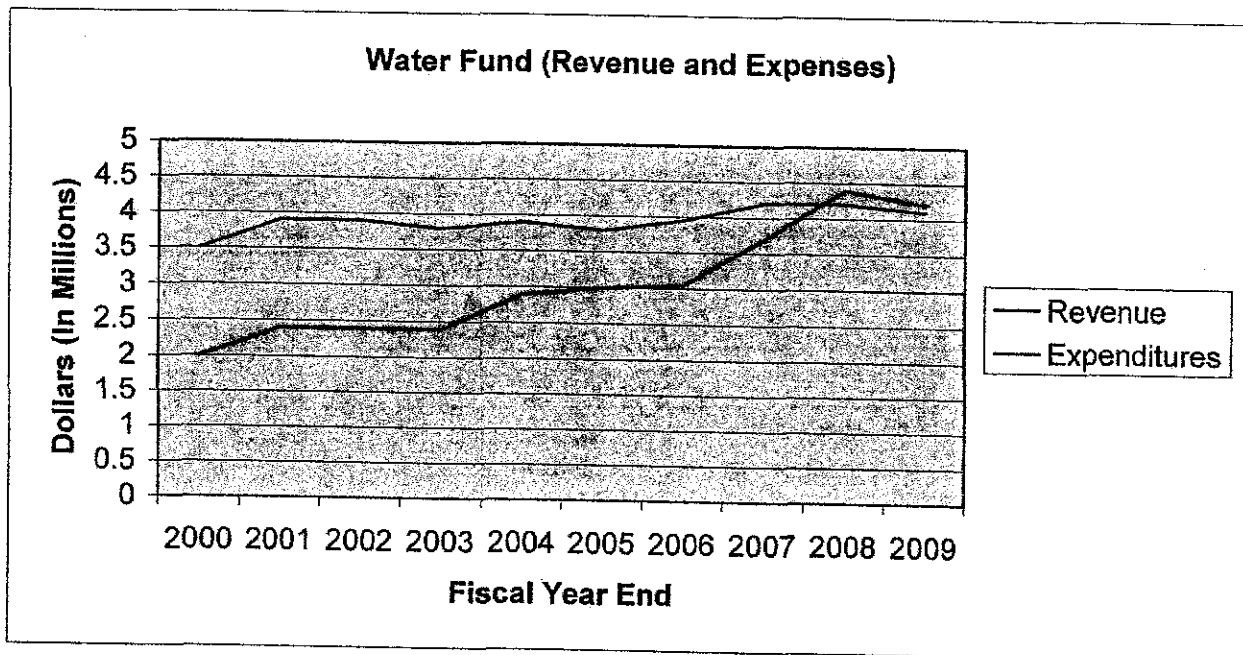
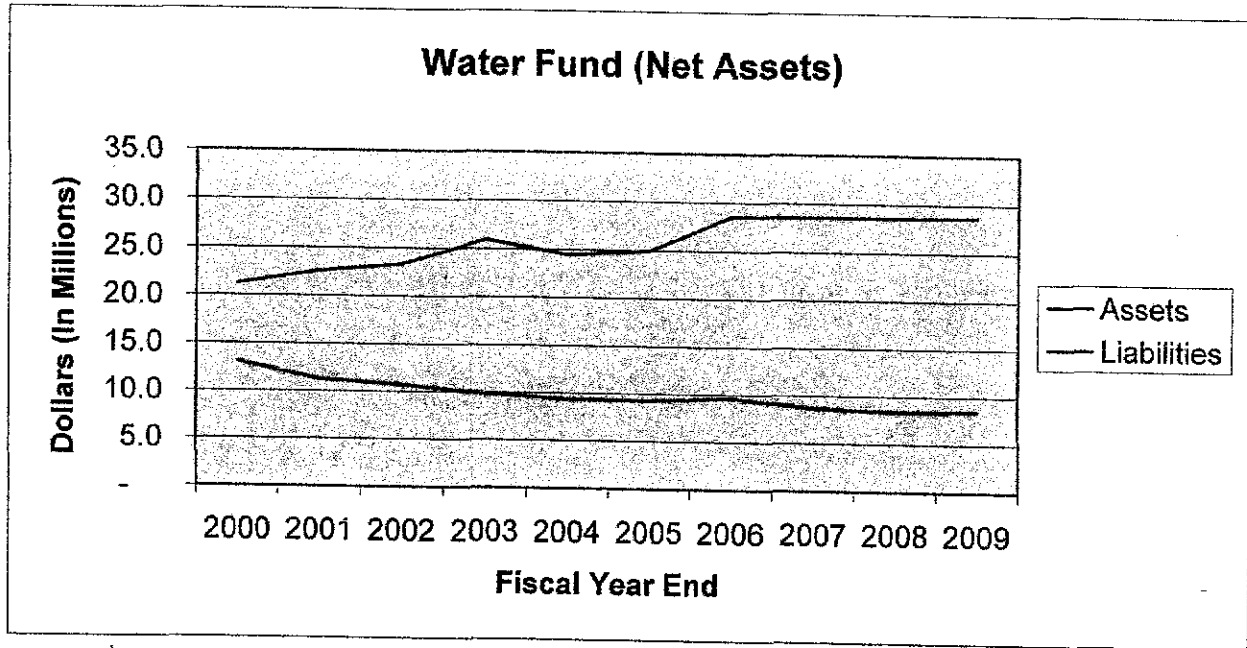


Includes revenue and expenditures, but excludes contributed capital.

RUBIDOUX COMMUNITY SERVICES DISTRICT

Schedule 2
Page 3 of 5

SUPPLEMENTAL INFORMATION - GRAPHIC FINANCIAL COMPARISONS As of and for the Year Ended June 30, 2009

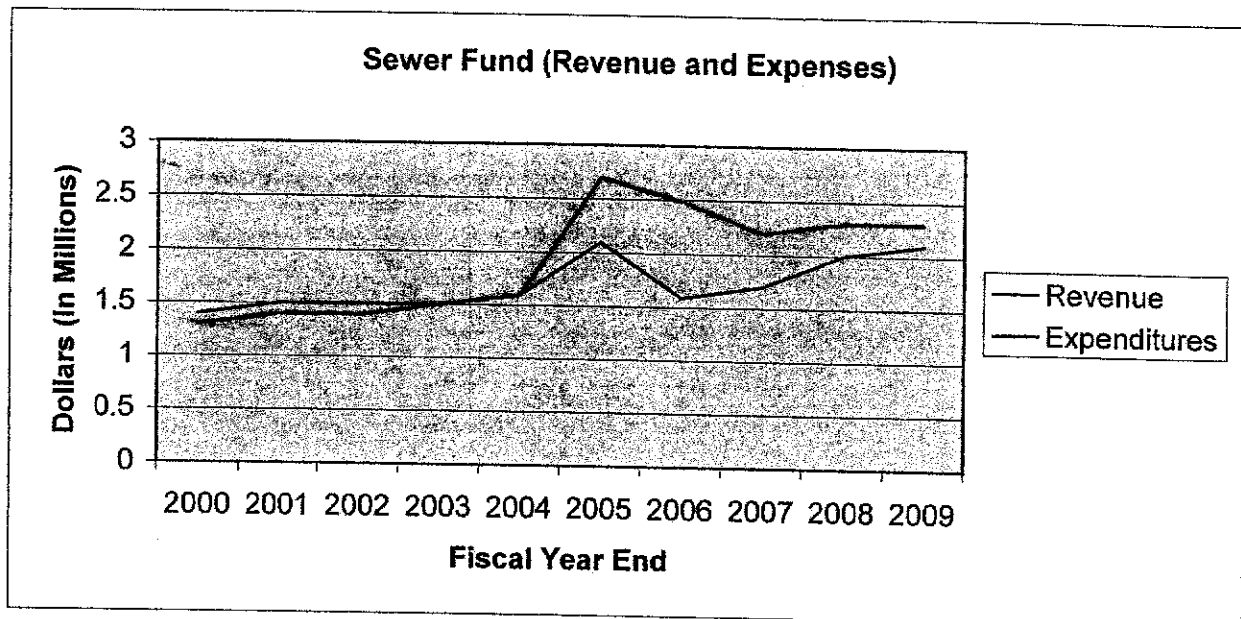
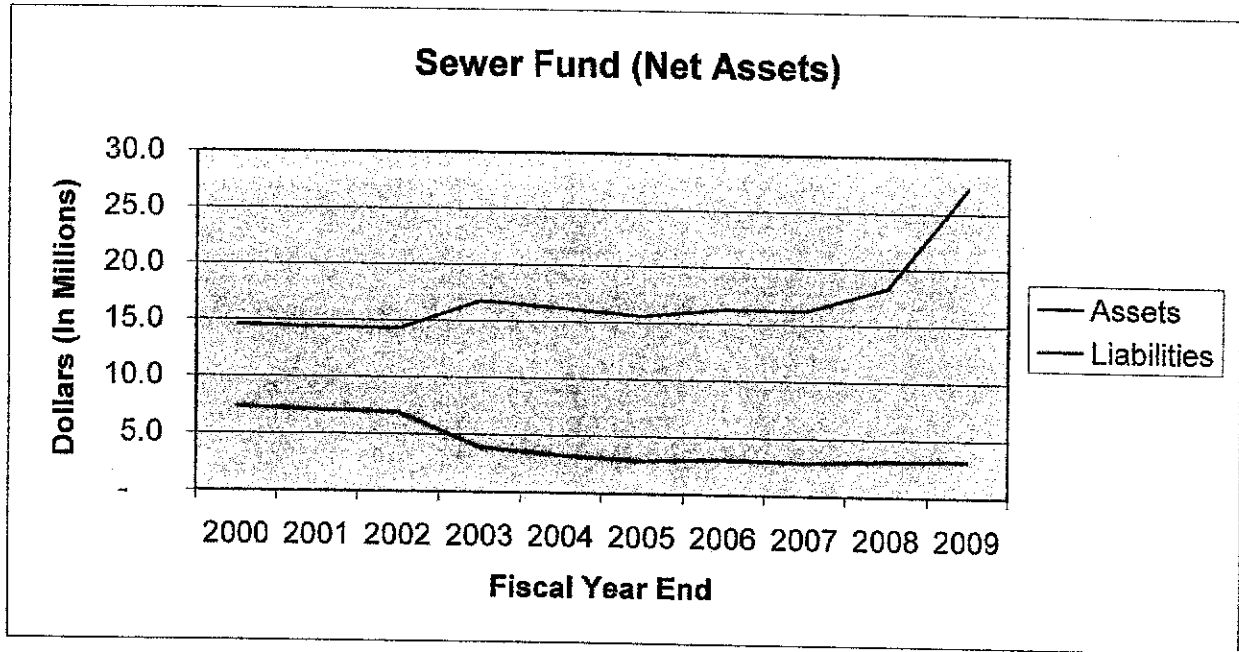


Includes operating activities only.

RUBIDOUX COMMUNITY SERVICES DISTRICT

Schedule 2
Page 4 of 5

SUPPLEMENTAL INFORMATION - GRAPHIC FINANCIAL COMPARISONS As of and for the Year Ended June 30, 2009

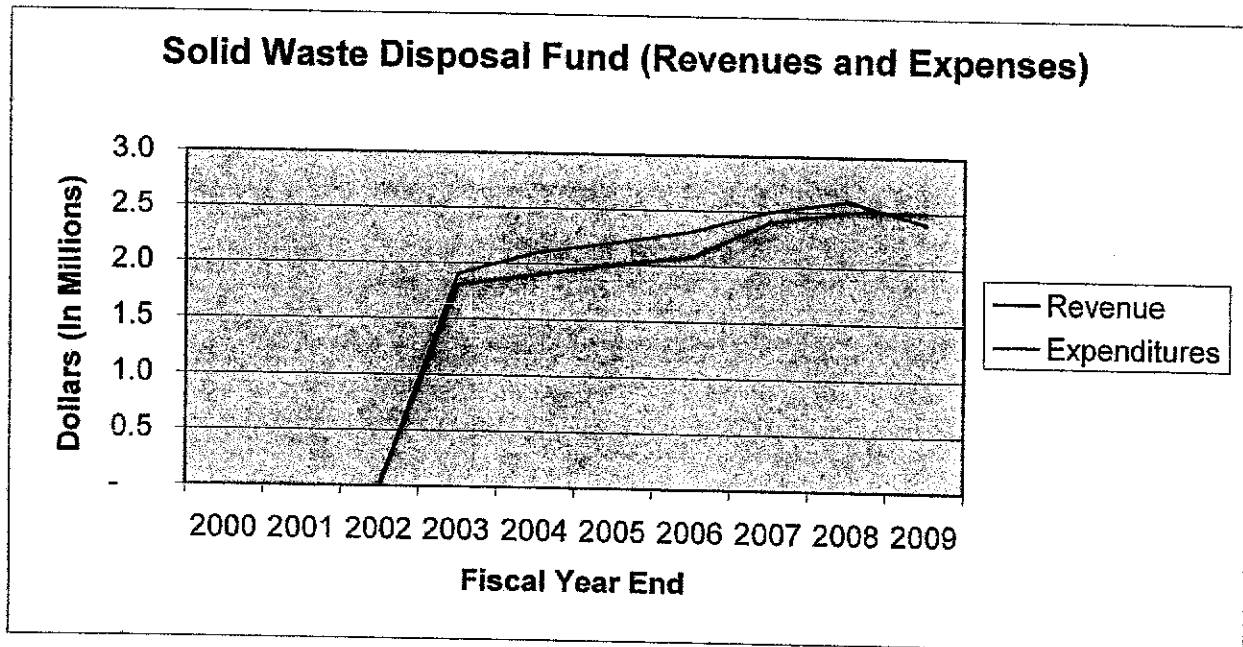
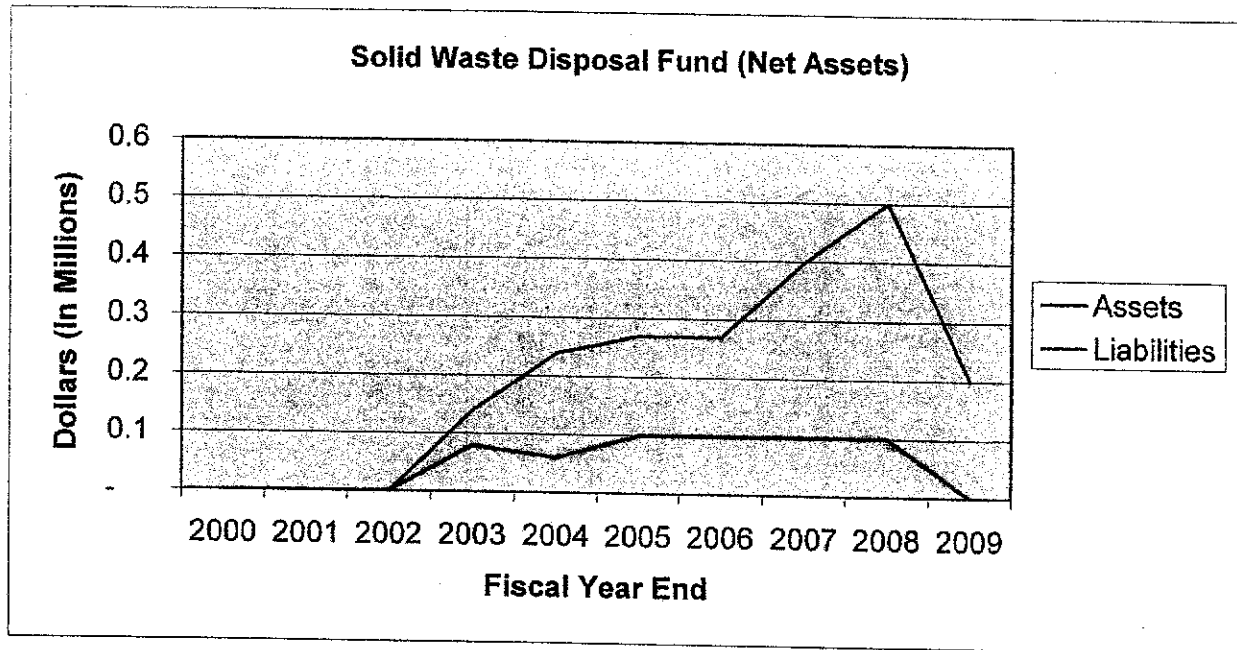


Includes operating activities only.

RUBIDOUX COMMUNITY SERVICES DISTRICT

Schedule 2
Page 5 of 5

SUPPLEMENTAL INFORMATION - GRAPHIC FINANCIAL COMPARISONS As of and for the Year Ended June 30, 2009



Includes operating activities only.

OTHER

RUBIDOUX COMMUNITY SERVICES DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2009

<u>Program Name</u>	<u>CFDA Number</u>	<u>Revenue Recorded</u>	<u>Federal Expenditures</u>
Department of Homeland Security - Federal Emergency Management Agency	97.036	\$ <u>7,454,191</u>	\$ <u>9,168,981</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal contract activity of the District and is presented on the accrual basis of accounting, which is the same basis of accounting used in the preparation of the financial statements.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 and agrees with the amounts presented in the financial statements.